

FINAL DETERMINATION

Louisville Gas and Electric Company has applied to the Kentucky Division for Air Quality for a Title V permit to operate its Muldraugh Station natural gas compressor facility located at Highway 31 W, Muldraugh, Kentucky. The plant is a Title V source because potential emissions of criteria pollutants exceed the major source threshold.

A preliminary determination was made to approve the permit and a public notice was placed in The Meade County Messenger on Wednesday, July 7, 1999. The comment period expired and comments were received from the source, and U.S. EPA. Responses to comments and permit changes associated with those comments are listed in Attachment C.

In conclusion, a thorough analysis has been made of all relevant information available which pertains to this application. The division has concluded that the source will comply with all applicable air quality regulations and requirements. Compliance with the terms of the permit will ensure compliance with all air quality requirements. Therefore, it is recommended that the permit be issued as conditioned.

KENTUCKY DIVISION FOR AIR QUALITY'S (DIVISION) RESPONSES TO COMMENTS RECEIVED FROM LG&E ON MULdraugh GAS COMPRESSOR STATION'S DRAFT/PROPOSED TITLE V PERMIT

Comment 1:

Section B, Emission Points, Emission Units, Applicable Regulations, and Operating Conditions

Emission Unit: 04 (15) – Three Natural Gas Purification Processes controlled by a Hydrogen Sulfide (H₂S) afterburner

Emission Unit 04, Applicable Regulations, 1 Operating Limitations:

LG&E has spoken to Bryan Handy, the permit writer for this permit, and has been told that the verbiage “in any 12 consecutive month period”, cannot be changed to, “calendar year” because of PSD. Please confirm.

Response:

The division confirms that this language can not be changed in order for the source to preclude PSD.

Comment 2:

Emission Unit 05 (11) – Indirect Heater Exchanger

LG&E recently questioned why this 10 MMBTU/hr heat exchange was noted as an emission unit and not as an insignificant activity. As discussed with Bryan Handy, it appears that this was an oversight and that the unit should have been noted on the insignificant activity list. LG&E has enclosed form DEP-7007 DD, “Insignificant Activities”, emission calculations, and is requesting that this 10 MMBTU/hr heat exchanger, emission 05, be removed and placed on the insignificant activity list.

Response:

The division concurs with this comment and emission unit 05 has been moved to the insignificant activities list.

Comment 3:

Emission Unit 06 (12) – Indirect Heater Exchanger

Emission Unit: 06, Applicable Regulations, Item 2, Emission Limitations:

Per conversations with KDAQ, it is LG&E's understanding that there are no applicable monitoring or compliance demonstration (testing) obligations, as this boiler/unit burns natural gas and can never exceed these emission limitations. Furthermore, it is LG&E's understanding that the compliance demonstration only requires verification that natural gas was used and reporting of the fuel usage/amount. To eliminate any confusion, LG&E is requesting that the verbiage under item 2 (a-c) be removed, and that language similar to number 5 under emission unit 04, be added (“The permittee shall maintain the records of the amount of natural gas used”).

Response:

The emission limitations under item 2 are federally enforceable limits that can not be removed from the permit. The boiler is assumed to be in compliance while burning natural gas therefore no specific requirements are required other than those reporting requirements mentioned in your comment. Refer to Section F for specific reporting requirements.

Comment 4:

Section E, Control Equipment Conditions:

Item 1:

LG&E requests clarification that control equipment is not required to be operated unless necessary to meet emission limits.

Response:

Any emission unit, including associated control equipment, should be maintained and operated as needed to ensure all emissions limitations are met.

Comment 5:

Section F, Monitoring, Record Keeping, and Reporting Requirements:

Item 6:

Please clarify. It is LG&E understanding that, “permit requirements” means, “operating limitations and emissions limitations”.

Response:

Permit Requirements would include all operating limitations, emissions limitations, testing requirements, monitoring requirements, reporting requirements, and control equipment operating conditions specified in the permit.

**Response to U.S. EPA's Comments on Louisville Gas & Electric Company's
Muldraugh Station's Title V Operating Permit**

Significant Comments

1. **Statement of Basis:** The statement under the heading "Regulation [sic] That Are Not Applicable" is incorrect. Contrary to the interpretation of KDAQ, the Muldraugh Station is subject to the requirements of 40 C.F.R. part 60, subpart LLL (Standards of Performance for Onshore Natural Gas Processing: SO₂ Emissions). The June 17, 1998, memorandum entitled "Guidance on Affected Facilities Subject to New Source Performance Standards Subpart LLL" from John Rasnic of the EPA Office of Compliance, which was faxed to you on June 29, 1999, contains the final determination regarding the applicability of subpart LLL to the Muldraugh Station facility.
2. **Section B, Emissions Unit 04:** The Applicable Regulations section should be changed to read such that the emission units are subject to subpart LLL. The provisions for operating limitations, emission limitations, testing requirements, specific monitoring requirements, specific recordkeeping requirements, specific reporting requirements, and specific control equipment operating conditions should be changed to incorporate all the applicable requirements of subpart LLL

Division's Response:

Comments noted. The division does not concur with EPA's interpretation that 40 CFR 60, Subpart LLL is applicable. Therefore, the division will issue the final permit as drafted.